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SECURITY INFORMATION

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : S/P - Mr. Watts

DATE: February 20, 1953

FROM : S/P - Walter Thurston

SUBJECT: United States Objectives and Courses of Action with Respect to Latin America.

The accompanying "Statement of Policy Proposed by the National Security Council on United States Objectives and Courses of Action with Respect to Latin America" is acceptable within its inherent restrictive limitations. As an expression of policy, however, it suffers from the defect which, in my opinion, has impaired so many similar efforts. It seeks to create the impression that our policies toward Latin America are exclusively matters for our own determination, not governed or affected by existing international agreements, by our national character, or, what is more important, by the readiness of the countries to whom our policies are directed to acquiesce in them.

Omitting discussion of such generic problems as nationalism, anti-Americanism, communism and economic and political backwardness in this area, the actual day-to-day problems of our diplomacy which of necessity affect our policies are made up of practical problems. What treatment do we give Chilean copper in the American market; do we put up tariff barriers against the fishery products of the West Coast of Latin America; do we facilitate agreement with Bolivia on tin prices; do we advance our most important potential ally in Latin America, Brazil, the credits that are essential to its economic viability? These are but representative rhetorical presentations. There are many more. Any concept of American policy toward Latin America must contain some element of concession to the needs of that area, whether spiritual, economic or political.

Attachment:

Copy 25 of NSC Statement of Policy, dated 2/19/53.

S/P Files Lot 64 D 523 Box 2a2

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S/P
January 31, 1952

LATIN AMERICA AND U.S. POLICY

PROBLEM

1. To examine conditions in Latin America in general and with particular attention to Nationalism and Communism, and to recommend policy for the area.

THE AREA

2. The region designated as Latin America is not a unit, physically, ethnically, or politically. Three of its twenty Republics are situated on islands in the Caribbean Sea; one is inhabited by French-speaking Negroes; while the political complexion ranges from dictatorship to authentic democracy. It is about twice the size of and has about the same population as the United States.

3. Most of the Latin American States modelled their constitutional and governmental structures after our own. Because of differing political and social backgrounds and environments, however, the results in Latin America have been less successful than those of the United States. Ineffectual suffrage, official corruption, and dictatorship have led to civic confusion and political instability. Although these conditions continue to prevail, the trend is toward improvement and individual countries are well advanced toward democracy.

4. American interests in the region, apart from the strategic items cited in paragraph 5, include private loans, direct investments in mines

in mines, sugar and banana plantations, railways, meat-packing, public utilities, assembly plants and branch factories, land holdings, air, sea, and other communications systems, and business enterprises.

IMPORTANCE OF THE AREA

5. Latin America borders upon the United States, either in direct contact or in immediate proximity, from Florida to the Pacific. Within its confines are the Panama Canal and the sites of at least two other potential inter-oceanic canals. It contains permanent and emergency U.S. naval, army, and air bases. It is the source of most of our coffee and sugar (vital items in the American diet), and of petroleum, tin, copper, rubber, and iron in "safe delivery" quantities that could signify survival in another war. ~~Latin America affords a major market for American manufactures, and an investment field of the first magnitude for American capital.~~ Its twenty votes constitute an important force in the present system of world debate.

6. A conclusion in NSC 56/2 is that "In global war, the security of the Western Hemisphere and U.S. access to its resources and manpower would be essential to the transoceanic projection of major U.S. offensive power".

ANTI-AMERICANISM

7. "Nationalism" and "Communism", in their Latin American versions, are affected by "Anti-Americanism". This widespread sentiment, largely dormant but easily and frequently aroused, exists from many causes—factual and emotional—among which the following may be cited:

a) Antagonism

a) Antagonism based upon or provoked by differences of language, law, religion (Protestant proselytizing is especially resented), and race (U.S. racial discrimination is disliked in general and has made bitter enemies when it has been encountered personally); jealousy and feelings of inferiority common to the weak and poor with respect to the rich and powerful; the paternalistic, disdainful, and arrogant attitudes that have sometimes been assumed by our people, officially and individually (e.g., the "Banana Republics" epithet, the misbehaviour of tourists and sailors ashore from U.S. Naval vessels, the depiction of all Latin Americans as blanketed and sombreroed caricatures, and the belief that the U.S. is a materialistic, cultural wilderness.

b) Our treatment of Mexico (we took more than half her territory in the 19th century and bombarded her principal seaport and invaded her territory in the 20th), our armed intervention in the Caribbean and Central American Republics, the "taking" of Panama, and our interest in other canal zones.

c) "Economic Imperialism" and "Economic Aggression"—practices ascribed to us, whereunder by deliberate design we "exploit" Latin America (drawing off its natural resources without regard to consequences), endeavor to restrict the area to a raw material economy in order that we may have an assured market for our manufactures, and browbeat it with tariff and price controls.

d) The "Foreign Boss-Native Employee" relationship that inevitably prevailed for some time while American capital and "know how" were building and developing railway, mining, petroleum, and other enterprises in backward areas lacking capital, experience, and knowledge. Also the favored position of American capital and personnel during this period, which occasionally was abused by interference with local political and legislative processes through the payment of influence money.

e) Our alternate wooing and neglect of Latin America—ardent during wars, cold thereafter; our failure to supply desired military equipment, and to extend to Latin America economic aid on a scale even remotely comparable to that we seem to them to be pressing upon the rest of the world.

3. Such

8. Such grievances and sentiments have been exploited for many years by writers of wide acceptance in Latin America, and by the notably virulent and irresponsible journalists of the region. They also have been exploited at different times and for different reasons b the British and Germans (as a weapon in trade rivalry), and the French (cultural rivalry).

9. Efforts are being made to overcome the effects of the causes and propaganda just described through our Information Service, the Good Neighbor Policy, the abandonment of old attitudes and acts of dominance, and by technical, financial, and Point Four aid.

NATIONALISM

10. A distinction should be drawn between the violent nationalistic reaction to colonialism that is currently in progress in Asia, the Middle East, and Africa, and the type of nationalism that is manifesting itself in some parts of Latin America. The historical method of colonialism in Africa and the East was mercantile-economic penetration preceded, accompanied, or followed by military and political control--or, in oversimplified terms, the subjugation and exploitation of native races by alien powers. In contrast, the Western Hemisphere was colonized, in the veritable sense of the word, by European migrants who became dominant. Only in two regions was any significant subjugation effected, and in these the conquerors quickly intermingled with the more numerous vanquished.

11. The

11. The severance of the ties to the parent powers was regarded by the Latin American colonies as the attainment of political independence, much as we tend to regard our own liberation simply as the achievement of political independence--although it is obvious that powerful economic forces contributed to the liberation of both areas. Nonetheless, it is the processes that are at work in Latin America today that are regarded there as leading to "Economic Independence" or the "Second Liberation".

12. The processes just alluded to have moved, during the present century, from efforts to outlaw the forcible collection of foreign debts (Drago Doctrine), to contractual renunciation by foreigners of the right to the protection of their governments (Calvo Clause), through restrictions and prohibitions (affecting residence, the practice of professions, participation in certain enterprises such as communications and the petroleum industry), to acquisition of foreign properties by purchase or outright expropriation (railways in Argentina and Mexico, public utilities in Argentina, the petroleum industry in Bolivia and Mexico).

13. Dissatisfaction (originating in resentment at the close of World War II over our price policies for essential materials and our abrupt and graceless termination of purchase agreements) with our efforts to fix prices for Latin American minerals, has provoked talk of nationalization of mining industries in Bolivia and Chile.

14. The strong trend toward industrialization in Latin America is one manifestation of nationalism. The area was seriously inconvenienced during

~~national interest to remove such causes of hostile nationalism as may be susceptible to our control.~~

31. Communism in Latin America, whether deriving from indigenous sources or emanating from the Soviet Union, is avowedly and actively inimical to the United States. ~~While not an immediately dangerous problem,~~ it is in our national interest to ~~employ every process, overt and covert, to~~ take such feasible measures as counteract ~~and destroy~~ the movement in Latin America.

32. United States policy for Latin America has not been consolidated, although its principles are established and are being applied on a country-by-country basis.

33. It is recommended that an integrated Policy Statement on Latin America be prepared, which shall:

a) Identify the causes (actions by Latin America as well as by the United States) which contribute to anti-Americanism on the one side and misunderstanding and intolerance on the other.

b) Suggest measures within our possibilities to overcome the impediments so identified (such as the easement in Latin America of pressures and restrictions referred to in paragraph 12, the correction, where necessary, of practices of the kind alluded to in section c) of paragraph 7, and more "attention" to the area).

34. The country "Policy Statements" prepared in ARA, the paper "Basic Principles of U.S. Policies in Inter-American Affairs" dated October 7

October 7, 1949, prepared in S/P, and the paper now being prepared in ARA could serve as sources of material for the Policy Statement recommended.

S/P:WThurston:msj